

*of real property or an interest therein, (ii) rents or royalties from mines, wells, or other natural deposits, and (iii) gains described in section 631 (b) or (c), and*

*(B) which, but for this subsection, would not be treated as income effectively connected with the conduct of a trade or business within the United States,*

*may elect for such taxable year to treat all such income as income which is effectively connected with the conduct of a trade or business within the United States. In such case, such income shall be taxable as provided in subsection (a) (1) whether or not such corporation is engaged in trade or business within the United States during the taxable year. An election under this paragraph for any taxable year shall remain in effect for all subsequent taxable years, except that it may be revoked with the consent of the Secretary or his delegate with respect to any taxable year.*

**(2) ELECTION AFTER REVOCATION, ETC.**—Paragraphs (2) and (3) of section 871 (d) shall apply in respect of elections under this subsection in the same manner and to the same extent as they apply in respect of elections under section 871 (d).

**[(d)](e) RETURNS OF TAX BY AGENT.**—If any foreign corporation has no office or place of business in the United States but has an agent in the United States, the return required under section 6012 shall be made by the agent.

#### **SEC. 883. EXCLUSIONS FROM GROSS INCOME.**

The following items shall not be included in gross income of a foreign corporation, and shall be exempt from taxation under this subtitle:

**(1) SHIPS UNDER FOREIGN FLAG.**—Earnings derived from the operation of a ship or ships documented under the laws of a foreign country which grants an equivalent exemption to citizens of the United States and to corporations organized in the United States.

**(2) AIRCRAFT OF FOREIGN REGISTRY.**—Earnings derived from the operation of aircraft registered under the laws of a foreign country which grants an equivalent exemption to citizens of the United States and to corporations organized in the United States.

#### **SEC. 884 CROSS REFERENCES.**

**[(4)] (1)** For special provisions relating to unrelated business income of foreign educational, charitable, and certain other exempt organizations, see section 512(a).

**[(3)] (2)** For special provisions relating to foreign [insurance companies], corporation carrying on an insurance business within the United States see [subchapter L (sec. 801 and following)] section 842.

**[(2)] (3)** For rules applicable in determining whether any foreign corporation is engaged in trade or business within the United States, see section [871(c)] 864(b).

**(4)** For reinstatement of pre-1967 income tax provisions in the case of corporations of certain foreign countries, see section 896.

**(5)** For allowance of credit against the tax in case of a foreign corporation having income effectively connected with the conduct of a trade or business within the United States, see section 906.

**[(1)] (6)** For withholding at source of tax on income of foreign corporations, see section 1442.